

Advanced Public-Private Partnership (P3) Evaluation Training Course

Announcement of Availability

The FHWA's Office of Innovative Program Delivery has developed a series of training sessions for interested state, regional, and local government officials. The purpose of this training is to provide information and tools to government officials looking to better understand how to develop and evaluate potential P3 proposals.

Who can request this training? Any state, regional, or local transportation entity can request the training.

What does the training consist of? An FHWA-sponsored instructor will present in-person training at your site. The training will be tailored to address the needs of each requesting agency. The agenda and training modules presented will be determined through a discussion with FHWA staff and an evaluation of needs.

What type of training is it?: The training is a mix of presentations, class discussions, and hands-on computer training using the **P3-VALUE** tools, an Excel-based set of spreadsheets that provide a way to better understand the development and evaluation of P3 bids from the public and private sector perspectives.

How long is the training? Depending upon the training course options selected, the training can be as short as 1/2 day or as long as 4 days. The intent is to fit the training schedule to best meet the needs of your agency.

Training course options: Select among the following training modules, depending upon your agency's needs:

1. P3 Evaluation Overview (1/2 day)
2. Risk Assessment and Valuation (1 day)
3. Value for Money Analysis (1 day)
4. Financial Viability Analysis (1/2 day)
5. P3 Evaluation Case-Study using P3-VALUE (1 day)

How many staff can participate and what does the requesting agency need to provide? Training can be provided for a maximum class size of 40 students. There is a no minimum. The agency will need to provide the classroom (and computers, especially if Module 5 is included in the course).

For more information: See the FHWA OIPD P3 website at:

<http://www.fhwa.dot.gov/ipd/p3/toolkit/>

Who do I contact for more information and to register? Contact Patrick DeCorla-Souza, 202-366-4076 or Patrick.DeCorla-Souza@dot.gov

Advanced Public-Private Partnership (P3) Evaluation Training Modules

Select among the following training modules, depending upon your agency's needs:

Module 1: Introduction to P3s and P3 Evaluation (1/2 Day)

This introductory module provides an overview of P3 concepts and delivery methods, P3 risk assessment and valuation, P3 financial structuring and assessment, and value for money analysis. See the FHWA primer, *Value for Money Analysis for Public-Private Partnerships* available at: http://www.fhwa.dot.gov/ipd/p3/toolkit/guidance_documents/index.htm

Module 2: P3 Risk Assessment and Valuation (1 Day)

This module explains how to conduct a risk assessment of a project for the purpose of valuing risk and assessing the appropriate project delivery method for the project. The module defines typical risk categories for a P3 project and explains how to use a risk workshop to identify, categorize, document and value risks. It describes different methodologies for valuing risk including expected value, Monte Carlo simulation, and the calculation of a virtual risk premium. Finally, the module discusses how risk costs can be used as an input to a value for money analysis. See FHWA's *Guidebook on Risk Assessment for Public-Private Partnerships* available at: http://www.fhwa.dot.gov/ipd/p3/toolkit/guidance_documents/index.htm

Module 3: P3 Financial Viability Analysis (1/2 Day)

This module explains how a public agency can assess the financial viability of a P3 delivery method and consider the cash flows under a P3 vs. the conventional approach to assess the affordability of the project. The module describes the typical financial structure of a P3 project and explains how the potential financial costs to the private sector may be calculated. The module defines basic financial metrics used to measure debt capacity, equity returns, and bankability. It explains how to conduct a financial stress test, how to estimate potential equity investment and returns, and how to assess the impact of various credit enhancement measures on debt capacity and required public subsidies. See the FHWA primer, *Financial Structuring and Assessment for Public-Private Partnerships* available at: http://www.fhwa.dot.gov/ipd/p3/toolkit/guidance_documents/index.htm

Module 4: P3 Value for Money Analysis (1 Day)

This module walks students through the critical steps in conducting a VfM analysis – defining the project, conducting a risk assessment, developing a *Public Sector Comparator* (PSC), developing a Shadow Bid, and comparing delivery methods. It also discusses qualitative factors that should be considered in evaluating procurement methods for a project as part of a VfM analysis. See FHWA's *Guidebook on Value for Money Analysis for Public-Private Partnerships*, available at: http://www.fhwa.dot.gov/ipd/p3/toolkit/guidance_documents/index.htm

Module 5: P3 Evaluation Case Study Using P3-VALUE (1 Day)

A pre-requisite for this module is Module 4. In this module, a comprehensive, case-based exercise may be tailored to meet the learning needs of the students by using data from a familiar project. The module provides hands-on training in conducting a VfM analysis and Financial Viability analysis, using P3-VALUE. See the FHWA *P3-VALUE Tools*, available at: http://www.fhwa.dot.gov/ipd/p3/toolkit/analytical_tools/index.htm